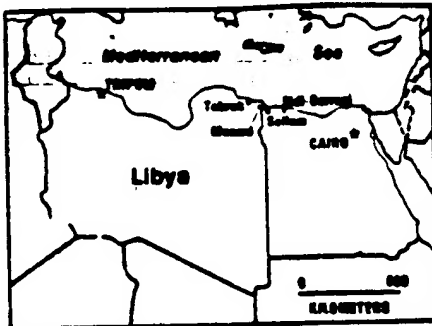


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Middle East

EGYPT-LIBYA

High level negotiations between Egyptian War Minister Gamasy and a senior Libyan military officer have been under way since mid-August; the two men have reached some agreement on easing tensions along the Egyptian-Libyan border.

A prisoner exchange that was carried out and publicized on 24 August is apparently part of the agreement. Another provision calls for a mutual pullback of troops in which the Libyans are to withdraw their forces to Tobruk, except for a small unit that is to remain at Musaid; the Egyptians are to withdraw to Sidi Barrani, except for a small force at Sollum.

The two countries have not publicized the withdrawal agreement. Egyptian Foreign Minister Fahmi told a group of foreign diplomats on 23 August only that the two sides had agreed to establish cease-fire observation posts along the border and to halt propaganda exchanges.

One senior Egyptian official continues to insist that Egyptian forces are prepared to attack Libya in two or three weeks if the current efforts to reach an agreed truce finally fail. At the same time, the official acknowledged that neither the Egyptian public nor the military supports further military action.

In Tripoli, the official mood remains

buoyant, and there are no indications that the deterioration of public and private services because of the military mobilization is hurting the regime. In eastern Libya, where the mobilization has created food shortages and transportation difficulties, it is a different story. Criticism of the government is widespread, and the Libyan military has taken control. This area has also been hardest hit by the large-scale exodus of Egyptian workers and technicians, who have been voluntarily leaving Libya as a result of the fighting. At least 200 Egyptian families are crossing the border each day.

There has always been strong sentiment against Libyan President Qadhafi in the eastern province, and it is likely to increase. Qadhafi has reportedly sent former Prime Minister Jallud to the area to check on possible opposition activity.

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